

act:onaid  BRETTON WOODS  
project

**Brot**  
für die Welt



eurodad

 GSJ  
Global Social Justice

 **wemos**  
HEALTH UNLIMITED

---

## Fiscal space for health

Myria Koutsoumpa

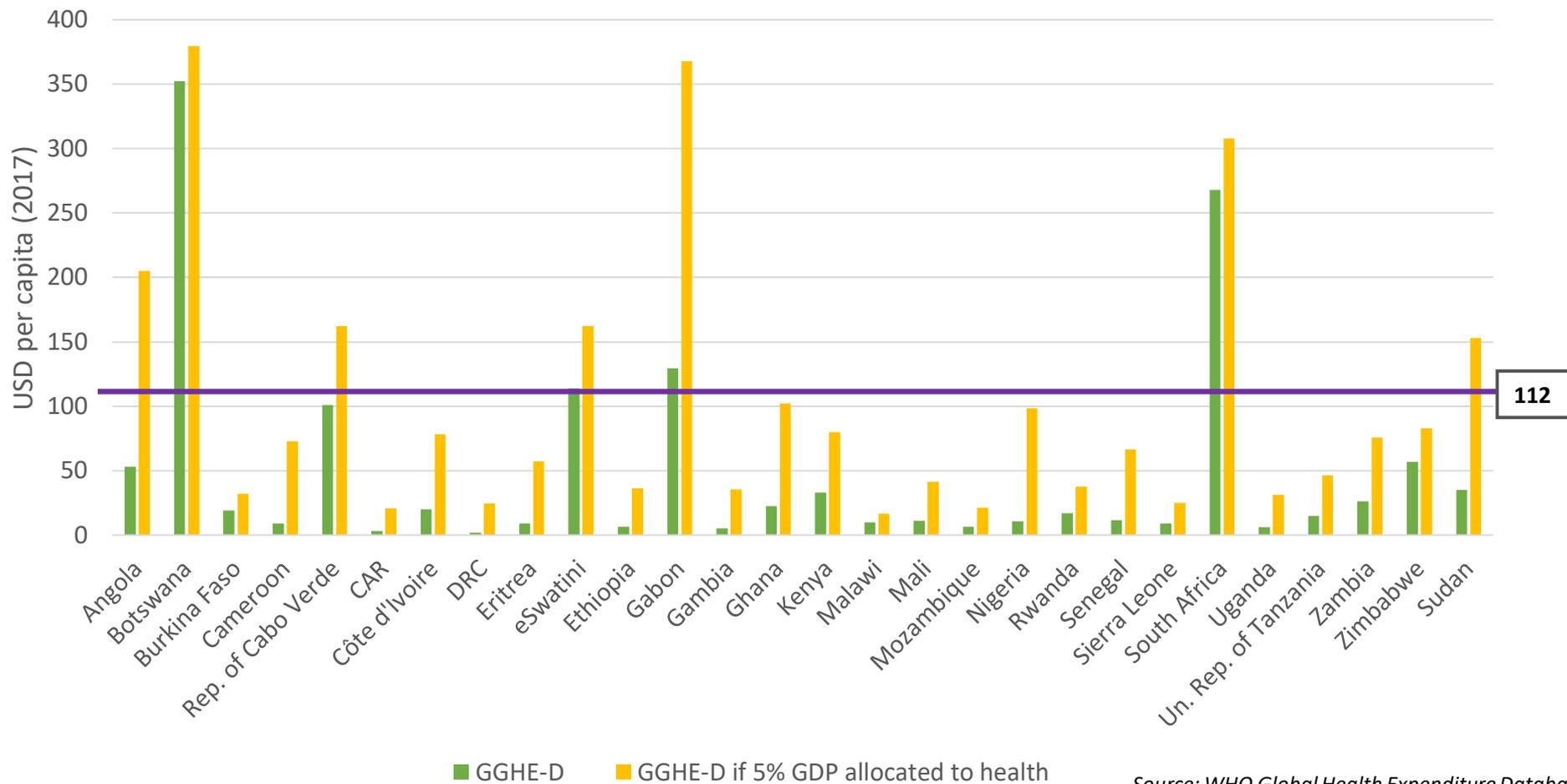
Wemos

Civil Society Policy Forum

IMF/WBG Annual Meetings 2020

---

## General government health expenditure – domestic, and international benchmark



# How to increase fiscal space for health?

## The WHO's suggestions:

1. Conducive macroeconomic conditions.
2. Reprioritization of health within the government budget.
3. An increase in health sector-specific resources (e.g. earmarked taxation).
4. An increase in the efficiency of existing health expenditure.
5. Health sector-specific grants and foreign aid

Source: [https://www.who.int/health\\_financing/topics/fiscal-space/key-points/en/](https://www.who.int/health_financing/topics/fiscal-space/key-points/en/)



To achieve the health-related SDGs, LMICs would require an additional **US\$ 371 billion** per year by 2030.

Even with projected increases in domestic health spending, an annual gap of max **US\$ 54 billion** remains.

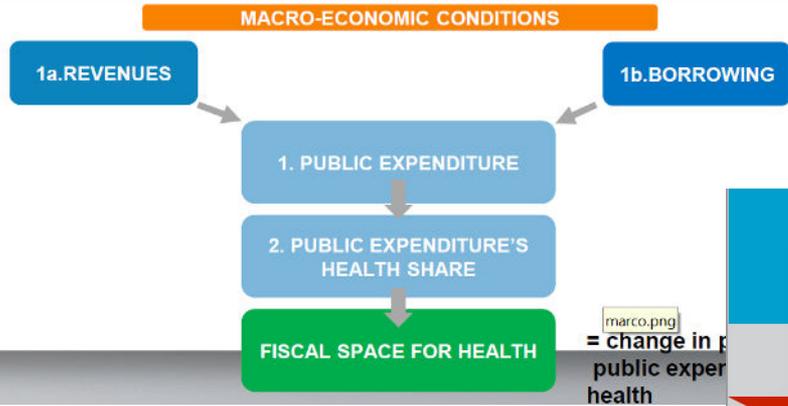
Source: Stenberg et al., 2017. *Financing transformative health systems towards achievement of the health Sustainable Development Goals: a model for projected resource needs in 67 low-income and middle-income countries*

## Discussed options to expand fiscal space

Important, but are they sufficient?

- **Public financial management reforms and improving efficiency** → relatively small gain: ‘expected efficiency savings in Africa show a median potential efficiency gain of USD 8 per capita per annum’ \*
- **Earmarked income and consumption taxes** → some examples\*
  - Malawi -> ‘USD 0.63 per capita per year’
  - Nepal -> ‘prospects poor’
  - Zimbabwe -> ‘excise taxes will only marginally contribute’
- **Reprioritization of health in government budgets** → will bring limited resources in many LMICs

# What is the budgetary process of FSH?



# How can MOH engage in this process?

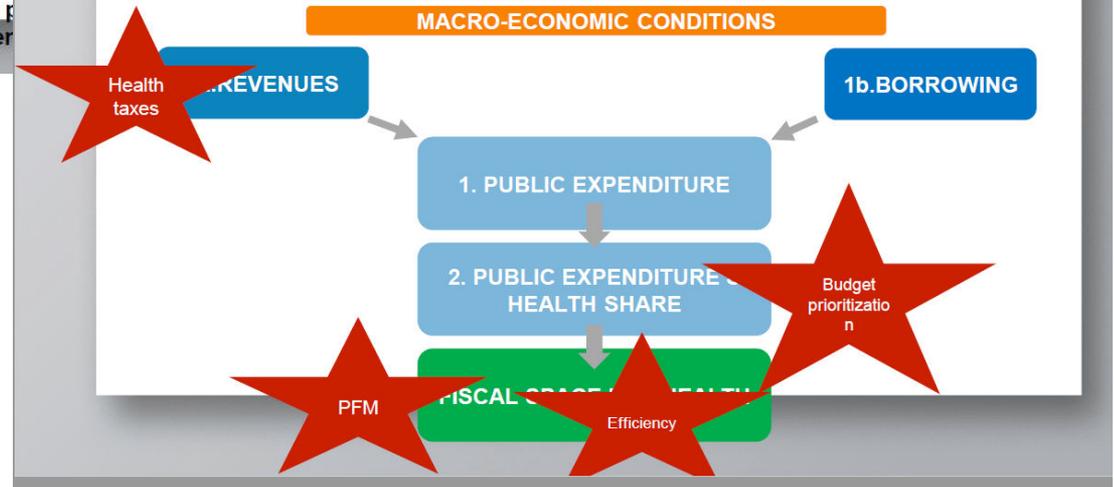


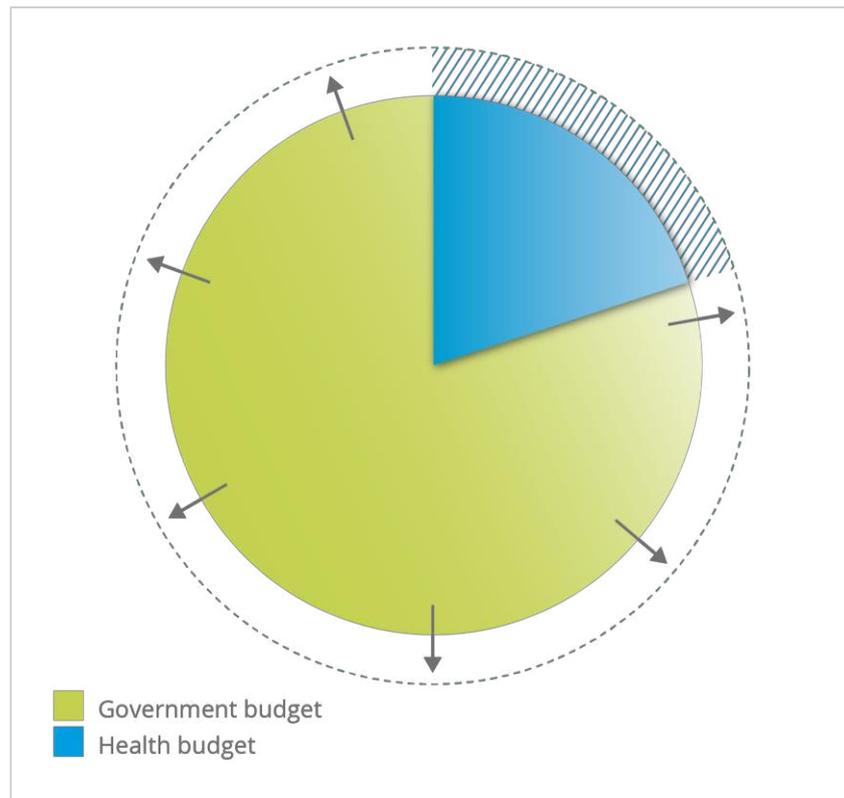
Image source: Presentation at the WHO Symposium in Montreux, 2019. Available at the WHO website.

## The “preferred” way...

1. Conducive macroeconomic conditions.
2. Reprioritization of health within the government budget.
3. An increase in health sector-specific resources (e.g. **earmarked taxation**).
4. **An increase in the efficiency of existing health expenditure.**
5. Health sector-specific grants and foreign aid

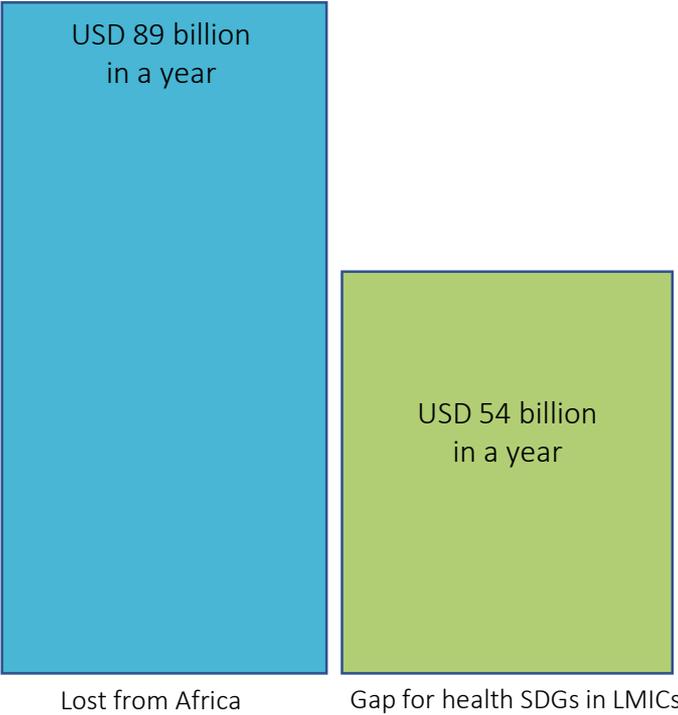
Source: [https://www.who.int/health\\_financing/topics/fiscal-space/key-points/en/](https://www.who.int/health_financing/topics/fiscal-space/key-points/en/)

## ...while we need to enlarge the pie!



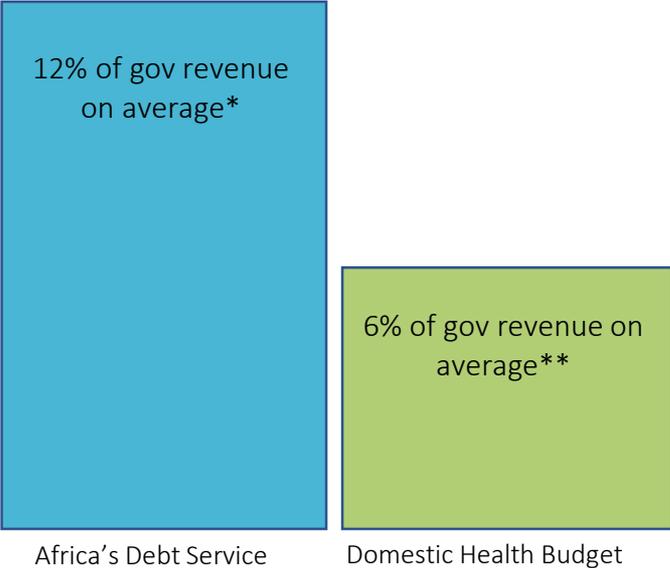
# Loss of resources

## Illicit Financial Flows



Source: UNCTAD, 2020. Economic Development in Africa

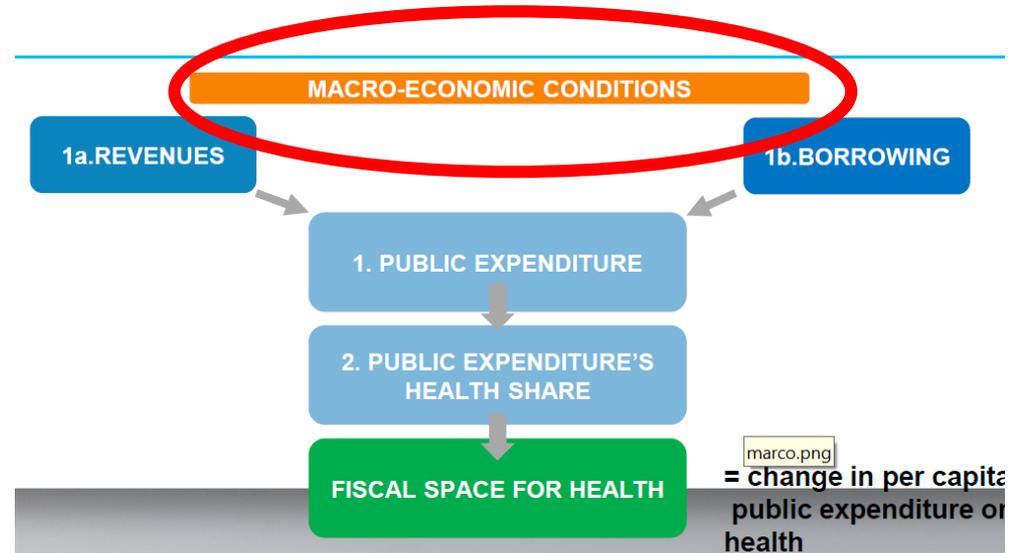
## Debt Service



Source: \*Jubilee Debt Campaign 2018. \*\*WHO GHED.

# Health budgeting process: question macroeconomic conditions!

1. Question mainstream economics and measure development by an indicator of well-being, not only the GDP
2. Stop discouraging sector ministries to engage in these processes
3. Push for alternatives that increase **public resources**
4. To increase public pressure, build **cross-sectoral alliance**



# Thank you very much for your attention!



myria.koutsoumpa@wemos.nl



@MyriaKoutsoumpa

@wemos

Visit [www.wemosresources.org](http://www.wemosresources.org) !